

Page 1

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. FW-04464-A
CRYPTOFOX LLC)

WITNESS: Giorgio Benvenuto

PAGES: 1 through 201

PLACE: Securities and Exchange Commission
801 Cherry Street
Fort Worth, Texas

DATE: Thursday, May 12, 2022

The above-entitled matter came on for hearing,
pursuant to notice, at 10:00 a.m.

Diversified Reporting Services, Inc.

(202) 467-9200

1 **trade, or would you pay \$100,000 for them to trade for**
2 **you?**

3 A The -- and so the contract was offered as a -- an
4 incentive to more or less do what you are suggesting,
5 which is them trading on my behalf, because I felt
6 completely uncomfortable. But I was educating myself in
7 that area, you know, YouTube and Google and I've been
8 following several crypto channels at that point. And I
9 just felt that it was an opportunity at the beginning
10 wave of this Bitcoin phenomenon, and I felt comfortable
11 enough that these people knew what they were doing. And
12 so yeah, I went made the decision to "go ahead, just
13 pull the trigger".

14 **Q Gio, I appreciate that. But that was not a clear**
15 **answer, so I'd like to have you help me clarify. You**
16 **said that you attended classes, but you also said that**
17 **the contract was an incentive to have them trade on your**
18 **behalf. Did you give them \$100,000 to attend classes,**
19 **or did you give them \$100,000 for them to trade for you?**

20 A The ability to attend classes, again, you'd --
21 you would open a contract of whatever amount -- the
22 minimum amount of whatever that was, and then you are
23 offered the classes as a result of being a member of the
24 academy.

25 **Q Okay. That's helpful. So you give them**

1 **\$100,000, but they trade for you. But you also get the**
2 **benefit of the classes, correct?**

3 A Yes.

4 **Q Okay. Who was teaching the classes?**

5 A There were three individuals. Obviously,
6 educators have changed positions since then. I'm trying
7 to remember the name of the gentleman over Forex.
8 Forgive me. But at any rate, he was very good, very
9 talented at what he did. He would even have classes --
10 Zoom classes at the one a.m. hour to catch the London
11 trade sessions. And I could see his face but I can't
12 recall his name at the moment. I'm sorry.

13 **Q That's correct. I don't want you to speculate.**
14 **Was his name John Fernandez?**

15 A No.

16 **Q Okay. So there were three educators. Was it**
17 **Gustavo?**

18 A I'm sorry. Then that would mean -- that would
19 mean four. Gustavo was more -- yes, he was an educator
20 in the crypto space. But he was more obviously a
21 business partner with -- the original business partner
22 with Mauricio and Eduardo.

23 **Q Was Eduardo Taffinder an educator?**

24 A Yes, he was. But primarily, he handled more of
25 the day-to-day -- well, what I would -- it appeared to

1 me he handled the day-to-day operations of that
2 business. You got -- so just that reference, CityCentre
3 when they moved there -- CityCentre is structured in
4 such a way where all rooms, including the conference
5 room which is centrally located, have all-glass walls.
6 So you can literally see everybody's business, hallway
7 traffic, all that good business.

8 So, you know, I got to see some of that stuff
9 because I was there pretty much regularly because I was
10 interested in learning about Forex. So I -- I took on
11 everything they offered. So just so you understand, you
12 know, if you're questioning how did I find out about the
13 business or know so much about the business, it's
14 because I was around it a lot as a student.

15 **Q Okay. That's helpful.**

16 **So we have three educators: Gustavo, Eduardo --**
17 **was Mauricio an educator?**

18 A No. Mauricio, I would think he was the main
19 trader at that point because he didn't actually do any
20 teaching. But Eduardo and Gustavo would be the two
21 others. They actually had three full-time traders on
22 top of those two individuals, so three other traders --
23 three other educators. Sorry.

24 **Q I want to stick with the educators for now --**

25 A Yeah.

1 **Q --- and then we can go to the traders.**

2 **You said we have four educators. Who are the**
3 **four educators? We have Gustavo, Eduardo. I know**
4 **there's one you can't think of. Who is the third one?**

5 A I remember there being a gentleman by the name of
6 Marco and another one by the name of Adam.

7 **Q You've already named four. So we have Marco --**

8 A I -- forgive me.

9 **Q Gio, this will go much easier if we don't**
10 **interrupt each other.**

11 **You said that there were four educators? You**
12 **named four. But then you also said there was one that**
13 **you couldn't remember?**

14 A Right. So there's five in total.

15 **Q Okay. Marco, Gustavo, Adam, and Eduardo are the**
16 **four of the five people teaching classes; is that**
17 **correct?**

18 A Correct.

19 **Q So --**

20 A I will -- sorry.

21 **Q Go ahead.**

22 A I'll preface this with saying that although I've
23 witnessed Gustavo and Eduardo perform functions as
24 educator, they were more involved in running the
25 business. So they had primary -- three primary

educators that were doing just that, educational.

Q Okay. They are teaching classes in Forex trading and cryptocurrency trading, correct?

A Yes.

Q And when you go into City Center, do they have different terminals or do you bring in your own computer?

A No, you bring in your own laptop.

Q Okay. Did all the students -- were all the students also investors? Were some people just there to learn?

A Jill, I can only comment on what I did. I -- you know, I met many of them, but I never got into any of their business. So if they did, that was their decision. But if you're asking me if they were there, were they a member? Yeah, they were a member.

Q Understood. Were the classes held in English or Spanish?

A Primarily in Spanish. Most of the -- most of the members are Spanish-speaking. I do not speak Spanish. They did accommodate the English-speaking folks, which at the time I joined was a pretty small group. But I'm -- I believe it has grown since then, but it's primarily Latino.

Q How often were the classes held?

Do you know how many people would attend the WhatsApp classes?

A I don't know the exact numbers. But you know how you see people pop up on a WhatsApp? There were -- there were quite a few involved taking those classes at night.

Q Any estimate on the number?

A It had to have been over -- on average, at least 80 to 100. But I -- you know, I remember, like, the -- again, I don't expect you to follow this, but when this Bitcoin having occurred, there was a spike. I mean, there was, like, 300 people or something on because they needed to understand or wanted to understand what was the significance of this event. You know, again, it was the beginning of this Bitcoin wave scenario that everyone needed -- from my experience, that is, I wanted to understand "what is the importance of this, what is Bitcoin, how does it affect, you know, other cryptocurrencies and what not. And that's what they pretty much provided that education in understanding what these cryptocurrencies were; what they were attached to; you know, projects, this type of scenario.

Q Describe the substance of the classes. Was it understanding cryptocurrency, or was it understanding how to trade cryptocurrency?

A Daily -- every day except Sunday.

Q One class per day?

A Yes.

Q How long were the classes?

A Classes were approximately an hour but typically would go over that. And of course, to complement the in-person daytime learning, they would also have nighttime Zoom classes. So if you couldn't attend day, you'd log on at night.

Q How would one have access to the Zoom classes?

A An invite through -- I believe it was WhatsApp that they were using. So there would be, like, a channel with over 100 or whatever -- a large number of people. They would send this blast notification out, and I simply was included.

Q How many people were attendance in the in-person classes?

A The conference room was limited to roughly, I'm going to say, a max of 20 people. But again, most -- most people, assuming they had a daytime life, or let's call it a job, this is why the evening sessions were offered. At the time I had much more flexibility. So I chose to be -- I'm a better learner in person than I am online.

Q We have that in common.

A You had a variety of classes that were offered throughout the week. Ones were more directed toward what cryptocurrency was about, and others were more about, you know, how do you set up a virtual wallet; what are exchanges; what do they mean; how useful are they to you. And of course the bigger player in the alternate coin markets, you know, you'd come out with these -- like Ethereum and Shiba and whatever, again, to me they're just, like, terms. But apparently, they are attached to projects that mean something that are of value. And so that's my understanding of what an altcoin is and how it establishes value.

Q At any time during these classes, would there be a pitch for investment or trading with CryptoFX?

A I don't recall that being part of the classes. I mean, it was a -- it was a true learning experience. Actually, some of the classes caught -- I remember some of the classes caught the New York session, which begins at the -- I believe it's a 6:30 a.m. So we'd have class early in the morning, those who were willing to come to actually listen to trades live, to understand the concept of trading.

Q Were any of the classes reported?

A Some were; not all.

Q Do you know where we could find these reportings?

Page 46

1 the initial investment, I'm probably going to be more
2 comfortable telling you because I don't want to perjure
3 myself. I want to say that I paid them or reopened that
4 contract with cash again. Because I had, of course.

5 **Q Were there any disclosures about the trading
6 practices with that second investment?**

7 A No, nothing that I recall that stood out.

8 **Q Were there any disclosures about management fees?**

9 A As I recall.

10 **Q I apologize. I didn't catch your answer. Were
11 there any disclosures about management fees?**

12 A Not as I recall, ma'am.

13 **Q Thank you.**

14 **When you signed these contracts, do you recall
15 anything on the contract? And I unfortunately don't
16 have your contract. Do you recall any signatures
17 related to a CryptoFX representative or a CryptoFX
18 receiver?**

19 A Yes. I remember the last part of the contract,
20 there would be -- you know, obviously, I would sign and
21 then of course, the CryptoFX representative, I'm
22 assuming, was one of the admin staff signed verifying
23 that I had, you know, purchased this contract.

24 **Q Do you know what these individuals did?**

25 A As I understood it, they were administrative-type

Page 47

1 roles. Either they were helping fill out new contracts
2 or paying out existing maturing contracts. And again,
3 this is me just seeing the activity.

4 **Q Okay.**

5 A And of course, there was the -- sorry.

6 **Q Apologies. Go ahead.**

7 A Again, and all this as a result of the third
8 piece which is the educators. So if you're asking me
9 components of the company, primarily administration-type
10 duties of. Filling out contracts, some folks would do
11 that. I see other folks responsible for fulfilling the
12 contracts. And then, of course, there were the
13 educators that did their all.

14 **Q So you don't actually know what a CFX
15 representative or a CFX receiver actually did?**

16 A That information was not privileged to me.

17 **Q Okay. Were you a VIP investor?**

18 A I remember the initial offering, something being
19 mentioned about a founders club. I don't believe that
20 ever materialized on -- to -- you know, to recall, that
21 never materialized in any way. It was mentioned that
22 they would -- and again, we're talking the group had --
23 who were looking at doing something like that, although
24 I don't believe it ever culminated to anything.

25 **Q Okay. I want to make sure that the record's**

Page 48

1 **clear: At no point did anyone at CFX represent to you
2 that you, Gio, were a VIP investor?**

3 A No, no.

4 **Q Did anyone ever represent to you that you were a
5 member of the founders circle?**

6 A They were attempting to do something like that,
7 and I had inquired. But I -- I don't believe I was part
8 of that group either.

9 **Q Understood. And I know, Gio -- and we're going
10 to get into this a little bit later -- that you became
11 more involved with the company. So when you became more
12 involved with the company, did you have any discussions
13 about creating a VIP club or creating a founders circle?**

14 A At the time I -- I asked Mauricio -- you know,
15 again, we were pretty close at that point, and I
16 observed some inconsistencies with -- with what was
17 happening. I simply asked him what I could do to help
18 because of other factors that were affecting him and
19 what I perceived to be his business in a negative way.

20 **Q I appreciate that. I'm not quite sure you
21 answered my question. Was there any discussion when you
22 were more involved with CFX about a VIP or a founders
23 club?**

24 A No.

25 **Q So you have no insight on that?**

Page 49

1 A No.

2 **Q Okay. Thank you.**

3 **With your second investment, how long did it take
4 for you to get paid out that 18 percent?**

5 A Of that contract, again, I -- I -- I signed up
6 for a six-month interval, so six months from that time
7 frame.

8 **Q So you've now made two investments. You get a
9 return. We're around mid 2021, correct?**

10 A And I'm just kind of doing the quick math. So
11 that would have been the August so, yeah, mid-2021.

12 **Q At what point do you start getting more involved
13 with CFX?**

14 A So again, forgive me. I'm going to look at the
15 time line to make sure I'm accurate about this.

16 So -- so it was about the April 2021 time frame.

17 I observed Mauricio at that point, considering him my
18 friend, just not being himself and what appeared to me
19 having -- looking like he's stressed out. Yeah. So
20 that -- at that point, I knew something was up, and I
21 could see the office becoming more disorganized as he
22 did not appear -- did not make appearances to the office
23 any longer.

24 If you want me to go further into why.

25 **Q You previously testified that you saw**

1 **inconsistencies with the business. Please elaborate.**
 2 A Again, as a result of the setup of City Center
 3 with the glass walls, what I saw were potential
 4 customers, I'm assuming, or I'm going to guess that they
 5 were referrals. But they would -- they would simply
 6 come on into the office, disregard any type of an
 7 appointment-type scenario or structure that I understood
 8 was in place, wanting to be involved. So it appeared
 9 that the business was more or less exploding, and I'm
 10 assuming because word got out.

11 So that being said, unfortunately, these folks
 12 with -- you know, Latinos bringing their family's kids
 13 in a -- what I considered a corporate environment and
 14 the other tenants on the floor complained and eventually
 15 got back to building management. And so they had
 16 received, I think, two or three violations at that point
 17 as far as, you know, protocols for the building as it
 18 were. And so that -- I didn't see anyone really kind of
 19 take charge, and I didn't want my friend's business to
 20 fail.

21 Call it selfish but I -- you know, clearly, I was
 22 vested as to why. But it was because, predominantly,
 23 he's my friend. I didn't want it to fail. So I simply
 24 asked him what I could do to help. So he, knowing my
 25 background, simply turned to me and said, "Can you

1 please be more visible?" And I go, "What do you mean?"
 2 He said, "I can't come to the office." I said, "Why?"
 3 Well, later, he divulges to me that there's a reason.

4 And Gustavo had split at this point, he left.
 5 And also, with Gustavo leaving, Eduardo contracted COVID
 6 and he was hospitalized at that point. So this left
 7 Mauricio trying to run this business. And my
 8 understanding was Eduardo ran the office environment;
 9 Mauricio ran the trading as it were; and I understood
 10 that Gustavo, I guess, handled the education piece,
 11 slash, the crypto trading as well. But clearly, it had
 12 seemed to me that Mauricio -- this was not his strong
 13 suit.

14 And so he came to me and said, "Hey, can I -- can
 15 I just get you to be more visible in the office and look
 16 after things?" I go, "What do you mean by that?" So,
 17 you know, I became -- I guess we'll call it an advisor
 18 and kind of an office resource, sometimes a glorified
 19 bouncer because of all the foot traffic that was
 20 happening, and then eventually, I guess we'll term it a
 21 legal facilitator because I started educating myself
 22 about different subjects that could potentially affect
 23 the business as, obviously, I was really interested in
 24 helping him. So I became a legal facilitator as well.

25 I mean, that -- I led him to -- to Robert as a

1 result of all of this. So that would have been one
 2 aspect of it. So it was just an effort to control
 3 what's happening. I mean, I get it, the business was
 4 exploding, but we still needed to maintain some type of
 5 corporate environment, which no one was abiding by,
 6 meaning our membership base or, you know, the potential
 7 customers that came in that wanted to open up new
 8 contracts. So that -- that was the reason. And of
 9 course, it eventually culminated with management
 10 absolving his lease, we had to move, and I knew he was
 11 stressed as a result of it.

12 Going back to Gustavo, unfortunately, it was a
 13 result of what I came to later learn, that alleged
 14 affair between Gustavo's wife and Mauricio. I believe
 15 that was the main issue why Gustavo said, "We're done,"
 16 and understandably so.

17 **Q Okay. So I understand why you started helping.**
 18 **But you previously testified as to inconsistencies.**
 19 **Talk to me about what inconsistencies you saw with the**
 20 **business.**

21 A Meaning when -- when I refer to that, meaning as
 22 I was attending these classes -- you know, again, a
 23 mirrored wall, I would see all this commotion in the
 24 hallways and people barging into offices that I knew
 25 that was not the protocol, I knew that was not how they

1 handled members. So at that point, I realized
 2 something's up. Nobody is trying to control the
 3 situation, and I -- I felt that I needed to do
 4 something.

5 So that's -- that's when I asked him, "What I can
 6 I do?" So he was very much involved -- he was very much
 7 involved, don't get me wrong. Because of what happened
 8 with Gustavo, I mean, obviously, it became public
 9 knowledge so he couldn't show his face, and I believe
 10 that's the reason he asked me to be present on his
 11 behalf. But he was very much involved remotely.

12 **Q Okay. And he is still the main trader at this**
 13 **time?**

14 A I believe, yes. I believe the only trader at
 15 this point.

16 **Q Okay. You pin this around April of 2021. But**
 17 **you were also involved with him as a business partner in**
 18 **CBT in July of?**

19 A No. The company was formed in October of 2020 if
 20 we're looking at the time line -- I'm sorry. That would
 21 have been the official formation of the company.
 22 Forgive me.

23 **Q No, forgive me. You're right. I got CBT and CFX**
 24 **mixed up. CBT started in October of 2020. Okay. I**
 25 **want to clarify that because it seems like there might**

1 **did you ever attend a class where CFX taught people how**
2 **to purchase cryptocurrency?**

3 A I attended -- I remember attending a class or
4 several classes because I'm a -- I'm a poor learner.
5 But regardless, attempting to learn how to open a
6 digital wallet, which is still a bit of a mystery to me.
7 But as far as your direct question, no. And I -- I
8 clearly remember the educator stating the -- again, this
9 is not -- I remember the disclaimer putting out there
10 "hey, we're not giving trading advice. This is simply
11 meant for educational purposes". You know, that
12 disclaimer was always out there.

13 **Q When you say "it was always out there", where was**
14 **it?**

15 A Meaning any class that was given. I remember
16 the -- that phrase would keep coming up, and now looking
17 back in retrospect, I get why.

18 **Q Did you ever observe Mr. Chavez with an investor**
19 **that he was trading on behalf of?**

20 A No, ma'am.

21 **Q Okay. But he did trade on behalf of some**
22 **investors?**

23 A I -- I will not disagree with what you said,
24 although I cannot confirm it because I did not witness
25 it.

1 **Q Okay. But that is part of the business model?**

2 A Yeah.

3 **Q Okay. Do you have any idea of how much money**
4 **CryptoFX had raised?**

5 A I couldn't tell you. I know, or at least I feel
6 comfortable saying that he's been pretty profitable. If
7 everyone is getting paid out, he's got to be making
8 money in my position. Otherwise, you'd have some pretty
9 angry Latinos after you, and they're not afraid of
10 showing that.

11 **Q Did you ever witness anyone complain about not**
12 **being paid out or not getting their return or anything**
13 **like that?**

14 A No. If there were any complaints that I could
15 talk about was more, you know, scheduling. Because
16 clearly, to me, you know, CFX, or rather CryptoFX, had
17 evolved to the point they -- they needed more bodies,
18 they need more staff. And unfortunately, because of
19 what was going on in Mauricio's personal life, he didn't
20 witness what I witnessed. Even though I would tell him,
21 you know, what was happening, he just -- you know, he
22 didn't -- he didn't act on my advice about "hey, maybe
23 we should bring on some more people because you're
24 starting to get a backlog in appointments". So that was
25 a frustrating point for most. But I mean, you know,

1 again, I felt that they'd understood. You'd get the odd
2 person saying "hey, why is this happening?" And I'd sit
3 there and kind of tilt my head, "Is this really" -- you
4 have to ask this question, look around you when there's
5 a line out the door. So I mean, again, I'm not -- I'm
6 being somewhat sarcastic here, but that was my way of
7 handling somebody who was frustrated about the
8 situation. I'd go, "This is a good thing to have. If
9 all you're frustrated about is when you're going to be
10 seen, just know you will be seen. That's all."

11 **Q So were there ever complaints about payments**
12 **being late?**

13 A Not that I'm aware of.

14 **Q You just described being backlogged and a line**
15 **out the door. Can you imagine some complaints about**
16 **payments being late?**

17 A If they were verbalized, I never got wind of it.

18 **Q Okay. Fair enough. Have you ever had any**
19 **conversations with Mauricio about how much money he's**
20 **made?**

21 A No, no. It was never -- again, Mauricio was
22 pretty protective about financial information, so
23 clearly, that was a topic that I never -- I never spoke
24 to him about. I mean, I -- I had my hands full. I was
25 running another company.

1 **Q Do you have any idea of how much money he's made?**

2 A No idea, ma'am.

3 **Q Do you know whether he has been paying himself**
4 **any commissions, bonuses, salaries?**

5 A I will not even begin to speculate on that
6 answer. I don't know.

7 MS. HARRIS: All right. We have been going
8 about another hour. I'm going to propose we take a
9 forty minute lunch.

10 MR. BURFORD: Okay.

11 MS. HARRIS: Let's just take it to the hour.
12 Let's come back at one p.m., if that's okay with
13 everyone. So let's go off the record at 12:15 and come
14 back at one.

15 (Whereupon, a luncheon recess was taken from
16 12:15 p.m. to 1:02 p.m.)

17 AFTERNOON SESSION

18 MS. HARRIS: Let's go back on the record at
19 1:02 p.m. Central Time.

20 **Q All right, Gio. When we left before lunch, we**
21 **were talking about CryptoFX, what you were doing at**
22 **CryptoFX, helping out the company, and you were paid for**
23 **that. You were helping organize. You were doing a lot**
24 **of things. And --**

25 A The -- forgive me.

Page 86

1 A It wasn't going to -- yeah. Correct.

2 **Q You see these funds come in the checks with CBT**

3 **written out to -- excuse me. Strike that.**

4 **You see these funds come in with individuals**

5 **writing checks to CBT Group. Do you ask Chavez, "Hey,**

6 **are these people also investors in CFX?"**

7 A So if you're asking me to turn away money, the

8 answer is "no". If you're asking me "am I going to

9 probe him about his financial affairs and his business",

10 the answer, again, is "no". So if you've asked me what

11 my role in CBT Group is, I just told you I manage the

12 company. So that's the extent of my knowledge

13 financially from Mr. Chavez's side. I couldn't verify

14 or deny who these people are. All I know is it's an

15 individual that made a check to CBT. I will take that

16 and run.

17 **Q I didn't ask you any of those things, actually.**

18 A Yeah, I know.

19 **Q I asked you -- and I'd like a direct answer to my**

20 **question. I asked you did you ask Mr. Chavez who these**

21 **people were?**

22 A No.

23 **Q Thank you. Okay.**

24 **Do you know if Gabriel Torres was out trying to**

25 **get investors from -- excuse me -- if Gabriel Torres was**

Page 87

1 **actually out trying to solicit investors for CBT?**

2 A He is our contractor. So remember, he runs his

3 own full-time business. So in an effort to be my

4 contractor, I gave him the five percent of the business

5 to incentivize him. He doesn't need us; we need him.

6 **Q Okay. That wasn't an answer to my question. Do**

7 **you know if he was out trying to get investors for CBT?**

8 A No.

9 **Q "No", you don't know or "no", he was not doing**

10 **that?**

11 A No, he wasn't doing that.

12 **Q Okay. So he took a very small nonoperational**

13 **role in the management and fundraising of CBT, correct?**

14 A No management, no fundraising. He's my

15 contractor.

16 **Q Got it. Okay.**

17 **Let's talk about the lease at 1124 Blalock: So**

18 **we talked about the Town and Country address, and you**

19 **alluded to before there's a lot of foot traffic, there**

20 **were a lot of complaints, you got kicked out. Tell me**

21 **what happens next with the offices of CFX.**

22 A And CBT because it affected me directly.

23 MR. BURFORD: I'd just like to -- you said

24 he got kicked out, and I don't think --

25 MS. HARRIS: Okay. Fair enough. Let me

Page 88

1 clarify.

2 MR. BURFORD: Just change the companies or

3 the people.

4 MS. HARRIS: Sure.

5 **Q I think, Gio, I might be mischaracterizing your**

6 **statement unfairly. I believe you said CFX got -- their**

7 **lease was terminated. Is that a fair statement?**

8 A That is a fair statement, CryptoFX.

9 **Q I apologize. I may have been sloppily**

10 **characterizing your testimony, and that's my fault.**

11 MS. HARRIS: Thank you, Mr. Burford, for

12 correcting me.

13 **Q Their lease was terminated. When did that**

14 **happen?**

15 A I couldn't pinpoint a date, but I'm looking at

16 the time line.

17 **Q If it helps you out, you obtained the new lease**

18 **on 1124 Blalock in September of 2021.**

19 A It was -- so I'm going to say it was the

20 August -- yeah, here it is: 2021/08/31, "CityCentre

21 building management threatens to cancel lease as a

22 result of too much uncontrolled foot traffic caused by

23 the increased business." So about that time range.

24 August, we'll call it.

25 **Q I see that. I'm going to put your time line of**

Page 89

1 **events -- if your counsel is okay with this, I'm going**

2 **to put your time line of events and mark it as**

3 **Exhibit 58 since you're referring to this. This is a**

4 **helpful time line.**

5 (SEC Exhibit No. 58 was marked.

6 for identification.)

7 **Q And you're referring to the date at the top of**

8 **page 2. I see that. So that happens in August of 2021,**

9 **and you move to the 1124 -- "you" being CBT and CFX move**

10 **to 1124 Blalock in September of 2021; is that correct?**

11 A Yes. And just -- sorry. Just to clarify a

12 little bit further, these days reflect the information

13 that is on the WhatsApp dialogue that was provided to

14 me. So that's why I'm referring to these time lines, to

15 make sure it's reflective of these WhatsApp dialogues.

16 **Q Absolutely. And for further clarification, the**

17 **WhatsApp dialogue that you're referring to is Exhibit**

18 **35, which we will get into later.**

19 **Who held the lease on 1124 Blalock?**

20 A So the lease agreement was between BZO Wheel and

21 Tire, which is the owner. His name: Daniel Sun, S-U-N,

22 is the owner of the property. He leased Suite A to CBT

23 so that I could renovate the space for office use.

24 **Q Am I correct in saying that CryptoFX was never**

25 **a -- strike that.**

Page 110

1 Q Okay. Got it. There was also a Cadence account
2 for the Maurizio Group. But you did not have access to
3 this account; is that right?

4 A I did not.

5 Q Do you remember making out a check to Maurizio
6 Group?

7 A I can't recall if I did that, ma'am. I'd have to
8 see -- I'd have to see the check.

9 Q Okay. We'll circle back to that one.

10 There's also, as we previously spoke about, a
11 personal checking at Cadence, bank account, for
12 Mr. Chavez's. But you did not have access to that; is
13 that correct?

14 A That is correct.

15 Q At some point in -- at some point the bank
16 accounts were switched from Cadence to Lone Star. Can
17 you describe to me why that happened?

18 A I was -- and I forget what time frame. I'm sure
19 we can deduct that information from the ending of one
20 account and the start of the other. That was all
21 submitted. But I was informed at some point that the
22 account at Cadence was closed, reasons not divulged to
23 me. As I recall, we were in the midst of this Tomball
24 project, so we were scrambling to open another account
25 so I could conduct business.

Page 111

1 MS. HARRIS: Okay. Let's take a five-minute
2 break. Let's come back at -- actually, let's come back
3 at 2:20, and we will pick up with the Lone Star account.
4 We will go off the record at 2:13 p.m. Central Time.
5 Thank you.

6 (Whereupon, a brief recess was taken.)

7 MS. HARRIS: Let's go back on the record at
8 2:24 p.m. CT.

9 Q Okay. So before we left off before, I said we
10 were going to go to Lone Star Bank, but I have one more
11 question about Cadence: You said that Mr. Chavez had
12 signing privilege as well on the Cadence CBT account; is
13 that correct?

14 A That is correct.

15 Q Okay. When did he get signing privileges?

16 A When we opened the account at Cadence. I think
17 you may have displayed that document initially, did you
18 not?

19 Q I may have. In this case, it's your testimony
20 that he always had signing privileges; is that correct?

21 A Yes.

22 Q Okay. Thank you.

23 Tell me about why you opened up a Lone Star Bank
24 account.

25 A Well -- and again, you'd have to look at the

Page 112

1 records. Don't pin me on a date. But at some point, I
2 was informed that the Cadence Bank accounts were being
3 closed. So in a scramble had to find another bank to --
4 to -- you know, obviously, to conduct business for CBT
5 as well as his side or CFX.

6 Q Were you given a reason why the Cadence Bank
7 accounts were closed?

8 A No specific reason. But personal commentary.
9 Banks don't like the word "crypto", so I assume it has
10 something to do with the name CryptoFX, you know this
11 type of scenario -- again this -- I'm take making this
12 commentary because I have a couple of friend in the
13 financial realm that tell me this. So I'm thinking,
14 "Oh, okay. I guess I can relate." These friends, by
15 the way, being in Canada.

16 Q Did you see any documents for anything related to
17 the account closure?

18 A No, no.

19 Q Okay. I'll put up -- let's put up Exhibit 50,
20 please, Lone Star.

21 (SEC Exhibit No. 50 was marked
22 for identification.)

23 Q So was it your understanding that -- before we
24 get into the exhibit, first, let me ask was it your
25 understanding that CBT and CryptoFX opened up an account

Page 113

1 at Lone Star Bank?

2 A Yes. But I'm going to correct you: If I -- if I
3 recall -- again, we'd have to look at the records to
4 verify. But at this point, I think it's CFX Lifestyle,
5 but I'm not entirely sure. But yes, you're correct.

6 Q Our records show that Maurizio Group, CBT, and
7 Mr. Chavez personally opened up bank accounts at Lone
8 Star Bank. Does that sound right to you?

9 A I was only aware of the CBT Group, yes, not the
10 others.

11 Q Okay. Does it sound correct to you that CFX or
12 CryptoFX or CFX Lifestyle did not open up an account at
13 Lone Star Bank?

14 A I'm going to have to agree. If you're telling me
15 the other banks are -- what their names are and you
16 haven't mentioned CFX Lifestyle, then I'm going to guess
17 that one CFX Lifestyle was not opened up.

18 Q Was there any conversation about why CryptoFX or
19 CFX Lifestyle did not open an account at Lone Star Bank?

20 A No.

21 Q No?

22 A No, there was not.

23 Q Okay. So can you look at Exhibit 50? I'll give
24 you some time.

25 A If you could scroll down a little bit. Scroll

Page 118

1 I'm misquoting this: But since we both had the account,
2 obviously, he had signing privileges. It appears he
3 wrote a check to this person.

4 **Q Some of these are your signature?**

5 A Me?

6 **Q One of them is your signature.**

7 A The Frank Comiskey?

8 **Q Yes.**

9 A Yeah. Would you like me to comment on that?

10 **Q Let me take a couple steps back here. But**
11 **essentially yes. Would he ask you to wire people from**
12 **this account, this Lone Star account?**

13 A Again, unless I look at the actual records -- I
14 know it has happened with this current account -- excuse
15 me -- with the Spirit of Texas account. He's asked me
16 to do that. I can't -- unless I look at the records, I
17 can't verify if it happened in the Lone Star time frame.

18 **Q Okay. Fair enough. You said it was his money.**
19 **Is it your understanding that the money that he put in**
20 **from those checks that went into the Cadence Bank**
21 **account that then went into the Lone Star account was**
22 **Mr. Chavez's money, or is it your understanding that it**
23 **was investor money?**

24 A Frankly, I never cared to ask deeper questions
25 than what you're proposing, and I may have in -- may be

Page 119

1 misreferencing because you could be pointing to "yeah,
2 it could be member money". Again, I -- I can't verify
3 it. I'm sorry.

4 **Q That's okay. Thank you.**

5 **Can you now speak to the check that you wrote to**
6 **Frank Comiskey?**

7 A Yeah. Frank Comiskey is an insurance agency of
8 which we required to have insurance for the labor that
9 was being performed on the Tomball property. So there
10 had to be a rider in the event of a slip and fall, that
11 type of thing.

12 **Q Thank you. That's helpful.**

13 **Did you ever ask Mr. Chavez about why he was**
14 **writing checks to individuals on the CBT account?**

15 A I never did, no.

16 **Q Okay. I don't want you to speculate too much.**
17 **But I don't want you to look at the amounts that he's**
18 **writing with these checks on Exhibit 51. Are these**
19 **amounts the amounts that Mr. Chavez in the CryptoFX**
20 **business would pay out in returns?**

21 A Sorry. I could not verify that either way.

22 **Q Okay. That's fine. Do you know why Mr. Chavez**
23 **never memorializes any of these payments? And when I**
24 **say "memorializes", he doesn't appear to put a lot of**
25 **detail in the memo line, if any.**

Page 120

1 A Yeah, and I've never asked him why. You know,
2 again, what you and I consider normal business-keeping
3 practices, clearly, that should not be applied to all.

4 **Q Okay.**

5 **A Just to remind you, back in the CityCentre-era**
6 **days, I mean, what I saw, you know, his -- his office**
7 **guy really, the guy that kind of held it together, in my**
8 **opinion, was Eduardo Taffinder.**

9 **Q Okay.**

10 **A I mean, I know that that's what he excelled at.**

11 MS. HARRIS: Okay. Tawnya, let me ask you
12 to put up Exhibit 52, please.

13 (SEC Exhibit No. 52 was marked
14 for identification.)

15 **Q Gio, take your time with this. But I'm just**
16 **going to signal to you, this is a closing document to**
17 **close the account that we were looking over previously,**
18 **the CBT account at Lone Star Bank. And I will note that**
19 **this account was open from May 5th, 2021, to May 28th,**
20 **2021, so it was only open a couple of weeks.**

21 A Yes. Well, less than a month, yeah -- I'm sorry.
22 Your question to me now?

23 **Q I want to you to take your time with the document**
24 **and just let me know whenever you're done.**

25 A I've read it.

Page 121

1 **Q Why did you close this account?**

2 A Well, it -- we didn't voluntarily. And sorry.
3 Let me ask, which account is this?

4 **Q This is the CBT account.**

5 A Yeah. I didn't voluntarily ask to close this
6 account. As I recall, I was informed that we had to
7 close the account because Mauricio's name was on it.
8 And I suspect, you know, it has to do with something
9 with crypto-related. Again, the whole "banks don't like
10 the word 'crypto'".

11 **Q But this account did not have crypto on it?**

12 A No. But it had his name on it.

13 **Q Okay. And it was your understanding that he is**
14 **so intertwined with crypto, that's why they closed the**
15 **account?**

16 A If I had to guess why we had such a short
17 relationship with Lone Star, at some point I'm -- I'm to
18 guess that -- you know, that they -- either he
19 inappropriately wrote the word or, you know, they saw
20 the word attached to his name and so they asked him to
21 remove all the assets including the one with me.

22 **Q Okay. Is that your signature on the first page?**

23 A Looking at what appears to be Mr. Mauricio's
24 signature where it says "cashier's check"?

25 **Q Yes.**

Page 194

1 A Yes. Richmond, Texas.
 2 MS. HARRIS: Okay. That is the end of my
 3 questions for you today. Thank you, Gio.
 4 THE WITNESS: Okay Jill.
 5 MR. BURFORD: All right, Jill. I've got
 6 just a few.
 7 MS. HARRIS: Sure.
 8 MR. BURFORD: Just make sure the record's
 9 clear on a couple points.
 10 You have testified, I think, that you've
 11 been in the offices of -- the CFX Lifestyle offices for
 12 quite some time, correct?
 13 THE WITNESS: Correct.
 14 MR. BURFORD: And during that time, have you
 15 ever heard of any member voice a complaint that they had
 16 not been paid according --
 17 THE WITNESS: No.
 18 MR. BURFORD: -- to an agreement?
 19 THE WITNESS: Sorry for cutting you off.
 20 No, I've not heard any complaints, Robert.
 21 MR. BURFORD: Have you ever heard anyone
 22 complain about the amount of the return that they
 23 received on the amount of money that they gave to the
 24 company?
 25 THE WITNESS: No, I've not heard any

Page 195

1 complaints related to that either.
 2 MR. BURFORD: Okay. Now, you now know that
 3 it certainly appears that members of crypto company paid
 4 moneys that were put into CBT, true?
 5 THE WITNESS: Yes.
 6 MR. BURFORD: Mr. Mauricio Chavez, has he
 7 told you anything about whether or not those members had
 8 been repaid the amount of money that was put into CBT?
 9 THE WITNESS: He did share with me that they
 10 were paid from the CFX -- were compensated through CFX,
 11 yes.
 12 MR. BURFORD: All right. Have you received
 13 any complaint from any of the people that wrote checks
 14 to CBT?
 15 THE WITNESS: No.
 16 MR. BURFORD: Are you aware that there are
 17 any dissatisfied individual members of either of the
 18 crypto companies?
 19 THE WITNESS: Never been voiced to me at
 20 either company.
 21 MR. BURFORD: All right. Now, you discussed
 22 a period of time when there was a disorganization of the
 23 business, I think during the period in which one of the
 24 partners of CFX crypto was in the hospital and
 25 ultimately died, and the other partner was -- had left

Page 196

1 the agreement -- partnership or was terminated somehow
 2 and that it created a lot of personal animosity between
 3 that partner and Mr. Chavez, correct?
 4 THE WITNESS: Yes.
 5 MR. BURFORD: And that you then -- at least
 6 you perceived a lot of disorganization around the
 7 offices?
 8 THE WITNESS: Yes.
 9 MR. BURFORD: Now, during that period of
 10 time, despite the fact that you perceived
 11 disorganization, did you hear anyone complain that they
 12 weren't being paid back in a timely manner?
 13 THE WITNESS: There was no complaints to
 14 that effect. And I know, you know, because I kept
 15 with -- in touch with Mauricio, he was still actively
 16 trading on behalf of the company. I knew that. And he
 17 just felt he couldn't show his face around the office.
 18 It just made life easier for him and allowed him to
 19 concentrate on what he did, which was trading. And
 20 that's why he asked me for my help. I'm sorry.
 21 MR. BURFORD: I want to make sure this is
 22 clear: Has Mauricio indicated to you that he is worried
 23 about any inability to pay back current investors?
 24 THE WITNESS: No, he's never expressed that.
 25 In fact, he's rather optimistic about paying everyone

Page 197

1 back, which leads me to believe that the company is
 2 profitable.
 3 MR. BURFORD: I think I don't have any
 4 further questions at this point.
 5 THE WITNESS: And I guess I'll -- forgive
 6 me. I just ask --
 7 MR. BURFORD: You may have some things you
 8 want to say, but I'm done.
 9 THE WITNESS: Again, so you know Jill has
 10 been asking -- and I -- and I understand the nature of
 11 the questions. But, you know, the -- I guess the ball I
 12 want to throw back to your side of the court, Jill, is
 13 would I really -- you know, would I, at 55, get involved
 14 with a crook? I mean, obviously, I trust this guy.
 15 Again, this is my personal opinion here. But I believe
 16 I'm an educated individual enough to know between right
 17 and wrong and kind of, you know, who's not on the up and
 18 up. But I've been around the block a little bit.
 19 So that was my characterization about
 20 Mauricio, which I -- honestly, for me, he just seemed
 21 like a good guy. He has very good intentions. Clearly,
 22 there was some trouble, and I just felt like I couldn't
 23 abandon it.
 24 MS. HARRIS: Okay. Thank you.
 25 **Q I want to clarify one thing you said about the**

Page 198

1 payouts to people who wrote checks to CBT: You just
2 testified that Mauricio told you that all the people who
3 wrote checks to CBT had been paid back; is that right?

4 A That's in light of, you know, providing
5 information --

6 THE WITNESS: If I can share this, Robert.

7 A -- providing information to our attorneys, that
8 question came up and he did state exactly that.

9 **Q But you don't have personal knowledge that all
10 the people who wrote checks to CBT were actually paid
11 back?**

12 A No. This is just a comment that, "yes, everyone
13 was paid back". That was my understanding.

14 **Q Do you know where -- do you know how they were
15 paid back?**

16 A Again, that would have been taken care of with
17 him, and I assume it was through CFX.

18 **Q Did he comment to you what account that they were
19 paid back from?**

20 A No.

21 **Q Okay. Did he comment to you if they were paid
22 back via cash or via check?**

23 A No. He just made the comment that they were paid
24 back.

25 **Q Okay.**

Page 199

1 A Yeah.

2 MS. HARRIS: I don't have any further
3 questions. But at this time, I always like to kick it
4 to my paralegal who's has been taking notes and who
5 might have just some clarify questions and stuff like
6 that for the glossary. So with that, Tawnya, any
7 questions or any follow-up?

8 MS. GODSEY: No. I believe we're all good.

9 MS. HARRIS: Nicole, any questions or
10 follow-up?

11 THE COURT REPORTER: No. Thank you. I have
12 all the spellings.

13 MS. HARRIS: Then we will go off the record
14 at 5:55.

15 (Whereupon, at 5:55 p.m., the examination
16 was concluded.)

17 * * * * *

18

19

20

21

22

23

24

25

Page 200

PROOFREADER'S CERTIFICATE

3 In the Matter of: CRYPTO FX LLC

4 Witness: Giorgio Benvenuto

5 File Number: FW-04464-A

6 Date: Thursday, May 12, 2022

7 Location: Fort Worth, Texas

8
9 This is to certify that I, Christine Boyce,
10 (the undersigned), do hereby certify that the foregoing
11 transcript is a complete, true and accurate transcription
12 of all matters contained on the recorded proceedings of the
13 investigative testimony.

16 _____
17 (Proofreader's Name) 5-19-2022

Page 201

CERTIFICATION

1
2
3 I, NICOLE WEXLER, a Notary Public in and
4 for the State of New York, do hereby certify:
5 THAT the witness(es) whose testimony is herein
6 before set forth, was duly sworn by me; and
7 THAT the within transcript is a true and
8 accurate record of the testimony given by
9 said witness (es).
10 I further certify that I am not related either
11 by blood or marriage, to any of the parties
12 to this action; and
13 that I am in no way interested in the outcome
14 of this matter.
15 IN WITNESS WHEREOF, I have hereunto
16 set my hand this 12th day of May 2022.

17

18

19

20

21

22

23

24

25